

House Engrossed

State of Arizona  
House of Representatives  
Forty-fifth Legislature  
First Regular Session  
2001

CHAPTER 69

# HOUSE BILL 2069

AN ACT

AMENDING SECTION 48-262, ARIZONA REVISED STATUTES; RELATING TO SPECIAL TAXING DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 48-262, Arizona Revised Statutes, is amended to  
3 read:

4 48-262. District boundary changes; procedures; notice; hearing;  
5 determinations; petitions; definitions

6 A. Except as prescribed by subsection H of this section, a fire  
7 district, community park maintenance district or sanitary district shall  
8 change its boundaries by the following procedures:

9 1. Any person desiring to propose any change to the boundaries of a  
10 district shall prepare and submit a boundary change impact statement to the  
11 governing body of the district. The boundary change impact statement shall  
12 contain at least the following information:

13 (a) A description of the boundaries of the area to be included within  
14 the proposed change and a detailed, accurate map of the area.

15 (b) An estimate of the assessed valuation within the boundaries of the  
16 proposed change.

17 (c) An estimate of the change in the tax rate of the district if the  
18 proposed change is made.

19 (d) An estimate of the change in the property tax liability, as a  
20 result of the proposed change, of a typical resident of a portion of the  
21 district, not in the area of the proposed change, before and after the  
22 proposed change and of a typical resident of the area of the proposed change.

23 (e) A list and explanation of benefits that will result from the  
24 proposed change to the residents of the area and of the remainder of the  
25 district.

26 (f) A list and explanation of the injuries that will result from the  
27 proposed change to residents of the area and of the remainder of the  
28 district.

29 2. On receipt of the boundary change impact statement, the governing  
30 body shall set a day, not fewer than twenty nor more than thirty days from  
31 that date, for a hearing on the boundary change impact statement. The board  
32 of supervisors may at any time prior to making a determination pursuant to  
33 paragraph 5 of this subsection require that the impact statement be amended  
34 to include any information that the board of supervisors deems to be relevant  
35 and necessary.

36 3. Upon receipt of the boundary change impact statement, the clerk of  
37 the governing body shall mail, by first class mail, written notice of the  
38 statement, its purpose and notice of the day, hour and place of the hearing  
39 on the proposed change to each owner of taxable property and each qualified  
40 elector within the boundaries of the proposed change. The clerk of the  
41 governing body shall post the notice in at least three conspicuous public  
42 places in the area of the proposed change and also publish twice in a daily  
43 newspaper of general circulation in the area of the proposed change, at least  
44 ten days before the hearing, or if no daily newspaper of general circulation  
45 exists in the area of the proposed change, then at least twice at any time

1 before the date of the hearing, a notice setting forth the purpose of the  
2 impact statement, the description of the boundaries of the proposed change  
3 and the day, hour and place of the hearing.

4 4. Upon receipt of the boundary change impact statement the clerk  
5 shall also mail notice, as provided in paragraph 3 of this subsection, to the  
6 chairman of the board of supervisors of the county in which the district is  
7 located. The chairman of the board of supervisors shall order a review of  
8 the proposed change and may submit written comments to the governing body of  
9 the district within ten days of receipt of the notice.

10 5. At the hearing called pursuant to paragraph 2 of this subsection,  
11 the governing body shall consider the comments of the board of supervisors,  
12 hear those who appear for and against the proposed change and determine  
13 whether the proposed change will promote the public health, comfort,  
14 convenience, necessity or welfare. If the governing body determines that the  
15 public health, comfort, convenience, necessity or welfare will be promoted,  
16 it shall approve the impact statement and authorize the persons proposing the  
17 change to circulate petitions as provided in this subsection. The order of  
18 the governing body shall be final, but if the request to circulate petitions  
19 is denied, a subsequent request for a similar change may be refiled with the  
20 governing body after six months from the date of such denial.

21 6. A person aggrieved by a decision of the governing body under this  
22 section may appeal to the board of supervisors of the county in which the  
23 district, or a majority of the district, is located, and a person aggrieved  
24 by a decision of the board of supervisors may appeal to the superior court  
25 in the county in the manner prescribed by title 12, chapter 7, article 6 and  
26 by posting a bond equal to the probable costs conditioned that the appellant  
27 will prosecute his appeal and will pay all costs that accrue in the court if  
28 a judgment is rendered affirming the decision of the board of supervisors.  
29 The court shall require the district governing body to pay all costs that  
30 accrue in the court, including reasonable attorney fees, and the bond shall  
31 be returned to the appellant, if a judgment is rendered in favor of the  
32 appellant.

33 7. After receiving the approval of the governing body as provided in  
34 paragraph 5 of this subsection and provided no appeal filed pursuant to  
35 paragraph 6 of this subsection remains unresolved, the person proposing the  
36 change may circulate and present petitions to the governing body of the  
37 district.

38 8. WITHIN FIFTEEN DAYS AFTER RECEIVING THE APPROVAL OF THE GOVERNING  
39 BODY AS PRESCRIBED BY PARAGRAPH 5 OF THIS SUBSECTION AND AFTER ANY APPEAL  
40 FILED PURSUANT TO PARAGRAPH 6 OF THIS SUBSECTION HAS BEEN RESOLVED, THE CLERK  
41 OF THE BOARD SHALL DETERMINE THE MINIMUM NUMBER OF SIGNATURES REQUIRED TO  
42 COMPLY WITH PARAGRAPH 9, SUBDIVISION (d) OF THIS SUBSECTION. AFTER MAKING  
43 THAT DETERMINATION, THAT NUMBER OF SIGNATURES SHALL REMAIN FIXED,  
44 NOTWITHSTANDING ANY SUBSEQUENT CHANGES IN THE VOTER REGISTRATION RECORDS.

1        ~~8-~~ 9. The petitions presented pursuant to paragraph 7 of this  
2 subsection shall COMPLY WITH THE PROVISIONS REGARDING PETITION FORM  
3 PRESCRIBED BY SECTION 48-265 AND VERIFICATION PRESCRIBED BY SECTION 48-266  
4 AND SHALL:

5        (a) At all times, contain a description of the boundaries of the area  
6 to be included within the proposed change and a detailed, accurate map of the  
7 area included within the proposed change. No alteration of the described  
8 area shall be made after receiving the approval of the governing body as  
9 provided in paragraph 5 of this subsection.

10        (b) Be signed by more than one-half of the property owners within the  
11 boundaries of the proposed change.

12        (c) Be signed by persons owning collectively more than one-half of the  
13 assessed valuation of the property within the boundaries of the proposed  
14 change.

15        (d) Be signed by more than one-half of the qualified electors within  
16 the boundaries of the proposed change.

17        ~~9-~~ 10. On receipt of the petitions, the governing body shall set a  
18 day, not fewer than ten nor more than thirty days from that date, for a  
19 hearing on the request.

20        ~~10-~~ 11. Prior to the hearing called pursuant to paragraph ~~9-~~ 10 of  
21 this subsection, the board of supervisors shall determine the validity of the  
22 petitions presented PURSUANT TO SUBSECTION B OF THIS SECTION.

23        ~~11-~~ 12. At the hearing called pursuant to paragraph ~~9-~~ 10 of this  
24 subsection, the governing body shall, if the petitions are valid, order the  
25 change to the boundaries. The governing body shall enter its order setting  
26 forth its determination in the minutes of the meeting, not later than ten  
27 days from the day of the hearing, and a copy of the order shall be recorded  
28 in the county recorder's office. The order of the governing body shall be  
29 final, and the proposed change shall be made to the district boundaries  
30 thirty days after the governing body votes. An appeal of the order to change  
31 the boundaries to the board of supervisors pursuant to paragraph 6 of this  
32 subsection must be filed with the board of supervisors during such thirty day  
33 period.

34        B. For the purpose of determining the validity of the petitions  
35 presented pursuant to subsection A, paragraph 7 of this section:

36        1. Qualified electors shall be those persons qualified to vote  
37 pursuant to title 16.

38        2. For the purposes of fulfilling the requirements of subsection A,  
39 paragraph ~~8-~~ 9, subdivisions (b) and (c) of this section, property held in  
40 joint tenancy BY MULTIPLE OWNERS shall be treated as if it had only one  
41 property owner, so that the signature of only one of the owners of property  
42 held in joint tenancy BY MULTIPLE OWNERS is required on the boundary change  
43 petition.

44        3. The value of property shall be determined as follows:

1 (a) In the case of property assessed by the county assessor, values  
2 shall be the same as those shown on the last assessment roll of the county  
3 containing such property.

4 (b) In the case of property valued by the department of revenue, the  
5 values shall be those determined by the department in the manner provided by  
6 law, for municipal assessment purposes. The county assessor and the  
7 department of revenue, respectively, shall furnish to the governing body,  
8 within twenty days after such a request, a statement in writing showing the  
9 owner, the address of each owner and the appraisal or assessment value of  
10 properties contained within the area of a proposed change as described in  
11 subsection A of this section.

12 4. ALL PETITIONS CIRCULATED SHALL BE RETURNED TO THE GOVERNING BODY  
13 OF THE DISTRICT WITHIN ONE YEAR FROM THE DATE OF THE APPROVAL GIVEN BY THE  
14 GOVERNING BODY PURSUANT TO SUBSECTION A, PARAGRAPH 5 OF THIS SECTION. ANY  
15 PETITION RETURNED MORE THAN ONE YEAR FROM THAT DATE IS VOID. IF AN APPEAL  
16 IS FILED PURSUANT TO SUBSECTION A, PARAGRAPH 6 OF THIS SECTION, THIS TIME  
17 PERIOD FOR GATHERING SIGNATURES IS TOLLED BEGINNING ON THE DATE AN ACTION IS  
18 FILED IN SUPERIOR COURT AND CONTINUING UNTIL THE EXPIRATION OF THE TIME  
19 PERIOD FOR ANY FURTHER APPEAL.

20 C. If the change in the boundaries proposed pursuant to subsection A  
21 of this section would result in a withdrawal of territory from an existing  
22 district, the petitions shall be approved by the governing body only if the  
23 proposed withdrawal would not result in a noncontiguous portion of the  
24 district that is less than one square mile in size.

25 D. If the impact statement described in subsection A of this section  
26 relates to the withdrawal of property from a district, in addition to the  
27 other requirements of subsection A of this section, the governing body shall  
28 also determine:

29 1. If the district has any existing outstanding bonds or other  
30 evidences of indebtedness.

31 2. If those bonds were authorized by an election and issued during the  
32 time the property to be withdrawn was lawfully included within the district.

33 E. If the conditions of subsection D of this section are met:

34 1. The property withdrawn from the district shall remain subject to  
35 taxes, special assessments or fees levied or collected to meet the contracts  
36 and covenants of the bonds. The board of supervisors shall provide for the  
37 levy and collection of such taxes, special assessments or fees.

38 2. The governing body shall:

39 (a) Annually determine the amount of special property taxes, special  
40 assessments or fees that must be levied and collected from property withdrawn  
41 from the district and the mechanism by which such amount is to be collected.

42 (b) Notify the board of supervisors on or before the third Monday in  
43 July of the amount determined in subdivision (a) of this paragraph.

1        3. Property withdrawn from an existing district shall not be subject  
2 to any further taxes, special assessments or fees arising from the  
3 indebtedness of such district except as provided in this subsection.

4        F. If the statement described in subsection A, paragraph 1 of this  
5 section requests the annexation of property located within an incorporated  
6 city or town, in addition to the other requirements of subsection A of this  
7 section, the governing body shall approve the district boundary change impact  
8 statement and authorize the circulation of petitions only if the governing  
9 body of the city or town has by ordinance or resolution endorsed such  
10 annexation and such annexation is authorized pursuant to this title.

11        G. Except as provided in subsection C of this section and section  
12 48-2002, no change in the boundaries of a district pursuant to this section  
13 shall result in a district which contains area that is not contiguous.

14        H. Notwithstanding subsection A of this section, any property owner  
15 whose land is within a county that contains a sanitary district or fire  
16 district and whose land is adjacent to the boundaries of the sanitary  
17 district or fire district may request in writing that the governing body of  
18 the district amend the district boundaries to include that property owner's  
19 land. If the governing body determines that the inclusion of that property  
20 will benefit the district and the property owner, the boundary change may be  
21 made by order of the governing body and is final on the recording of the  
22 governing body's order that includes a description of the property that is  
23 added to the district. A petition and impact statement are not required for  
24 an amendment to a sanitary district's or fire district's boundaries made  
25 pursuant to this subsection.

26        I. For purposes of this section:

27        1. "Assessed valuation" does not include the assessed valuation of  
28 property that is owned by a county.

29        2. "Property owner" does not include a county.

30        Sec. 2. Applicability

31        The changes made by this act apply only to those petitions for boundary  
32 changes that are authorized for circulation after the effective date of this  
33 act.

APPROVED BY THE GOVERNOR APRIL 9, 2001.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 9, 2001.

Passed the House January 30, 20 01,

by the following vote: 59 Ayes,

0 Nays, 1 Not Voting



Speaker of the House

Norman L. Moore  
Chief Clerk of the House

Passed the Senate April 2, 20 01,

by the following vote: 25 Ayes,

4 Nays, 1 Not Voting



President of the Senate

Charmine Bell Wright  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

3 day of April, 20 01,

at 12:35 o'clock P M.



Secretary to the Governor

Approved this 9<sup>th</sup> day of

April, 2001,

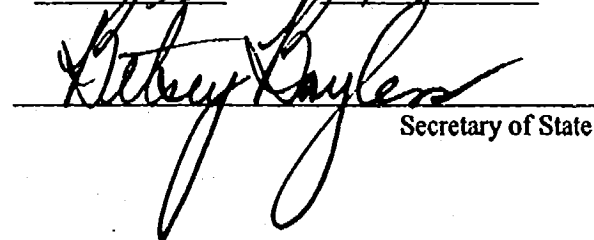
at 11:57 o'clock A M.

  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State  
this 9 day of April, 20 01,

at 4:33 o'clock P M.

  
Secretary of State

H.B. 2069